THE REPUBLIC OF UGANDA

THE NATIONAL COFFEE ACT, 2021.

THE REPUBLIC OF UGANDA

I SIGNIFY my assent to the bill.

.....

President

Date of assent: 31/8/2021.

THE NATIONAL COFFEE ACT, 2021

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THE REPUBLIC OF UGANDA

THE NATIONAL COFFEE ACT, 2021

An Act to repeal and replace the Uganda Coffee Development Authority Act, Cap. 325; to continue in existence the Uganda Coffee Development Authority; to provide for the Uganda Coffee Development Authority to regulate, promote and oversee the coffee subsector; to provide for the Authority to regulate all on-farm and off-farm activities in the coffee value chain; to provide for a coffee auction system; and for other related matters.

DATE OF ASSENT:

Date of Commencement:

BE IT ENACTED by Parliament as follows:

PART I—PRELIMINARY.

1. Interpretation.

In this Act, unless the context otherwise requires—

"adulterated coffee" means different types of coffee mixed together or coffee mixed with non-coffee material or immature coffee mixed with mature red ripe cherry;

"Authority" means the Uganda Coffee Development Authority continued in existence under section 3;

"bare ground" means the open soil surface;

"Board" means the Board of the Authority established by section 14;

"cess" means a levy on export of coffee on Free on Rail or Free on Truck or any other form of acceptable contract price;

"coffee extension officer" means an officer of the Authority or other person authorised in writing by the Authority to carry out functions of the Authority;

"coffee farmer" means a person who grows coffee;

"coffee inspector" means any officer of the Authority or other person authorised in writing by the Authority to carry out an inspection under this Act;

"coffee subsector" means a division or part of the agricultural sector relating to the coffee value chain;

"coffee value chain" means the activities or processes relating to coffee and includes research, planting and growing coffee, harvesting, drying, storage, sorting, grading, handling, processing, roasting, brewing, marketing, export and consumption of coffee;

"currency point" has the value assigned to it in Schedule 1 to this Act;

"Minister" means the Minister responsible for the coffee subsector;

"Ministry" means the ministry responsible for the coffee subsector;

"off-farm activity" means any activity or process relating to coffee that is carried out outside a coffee farm and includes sorting, drying, storing, processing, grading, transporting, marketing, exporting, roasting, brewing and consumption of coffee;

"on-farm activity" means any activity or process relating to coffee that is carried out on a coffee farm and includes planting, soil or water management, pest and disease control and harvesting;

"outturn test" means a test conducted to determine the quality and value of coffee obtained from a given quantity of processed coffee;

"seed" means a propagative material, plant and parts of plant intended for the propagation and multiplication of a coffee variety.

2. Purpose of the Act.

The purpose of this Act is—

(a) to facilitate the development of a competitive, participatory and sustainable coffee subsector in accordance with the National Coffee Policy, 2013;

(b) to provide for the Uganda Coffee Development Authority to regulate, promote and oversee the coffee subsector; and

(c) to regulate all on-farm and off-farm activities in the coffee value chain.

PART II—UGANDA COFFEE DEVELOPMENT AUTHORITY

3. Uganda Coffee Development Authority.

(1) The Uganda Coffee Development Authority existing immediately before the commencement of this Act, shall continue to exist subject to the provisions of this Act.

(2) The Authority shall be a body corporate with perpetual succession and a seal and may, for the discharge of its functions under this Act—

(a) acquire, hold and dispose of moveable and immovable property;

(b) sue and be sued in its corporate name; and

(c) do all acts and things as a body corporate may lawfully do.

(3) The seal of the Authority shall be determined by the Board and shall be kept in the custody of the Managing Director.

(4) The seal shall, when affixed to any document, be authenticated by the signatures of the Chairperson and the Managing Director.

(5) In the absence of the Chairperson or when the Chairperson is unable to perform this function, a member of the Board appointed by the Board for that purpose shall sign in the place of the Chairperson.

(6) A person performing the functions of Managing Director shall sign in the absence of the Managing Director.

(7) Every document purporting to be an instrument issued by the Authority and sealed with the seal of the Authority and authenticated in the manner prescribed in subsections (4), (5) and (6), shall be received in evidence as such an instrument without further proof unless the contrary is proved.

4. Objectives of the Authority.

The objectives of the Authority are—

(a) to promote good practices in all activities in the coffee value chain;

(b) to regulate on-farm and off-farm activities in the coffee value chain;

(c) to promote research along the coffee value chain processes and products related to coffee;

(d) to promote value addition to coffee including primary processing and establishing soluble coffee plants;

(e) to promote access to easy and cheap credit for coffee value chain actors;

(f) to promote and monitor the marketing of coffee in order to optimise foreign exchange earnings and payments to farmers;

(g) to control the quality of coffee at all stages of the value chain in order to ensure that all coffee meets the standards prescribed by the Authority;

(h) to monitor the international price of coffee in order to disseminate indicative prices at which coffee may be traded;

(i) to conduct market research for the development of the coffee subsector;

(j) to promote industries related to coffee;

(k) to develop and promote coffee specific extension services;

(l) to coordinate with key stakeholders to organise farmers in the coffee subsector;

(m) to promote the production and marketing of final products of coffee;

(n) to promote domestic consumption of coffee; and

(o) to promote coffee tourism in Uganda.

5. Functions of the Authority.

The functions of the Authority are—

(a) to regulate all activities within the coffee value chain; on-farm and off-farm coffee activities, coffee roasting and brewing, sales and marketing and the quality of coffee and coffee by-products, including activities of related industries in accordance with this Act;

(b) to promote, strengthen and register coffee farmers, farmers groups, associations and cooperatives, processors, roasters, brewers, traders, middlemen, persons or bodies involved in the coffee value chain;

(c) to register all coffee exports and assess cess;

(d) to promote the formation and development of value chain organisations at the various levels of the coffee value chain;

(e) to promote and support research into the coffee industry or processes along the coffee value chain and determine and prescribe through research, the types and varieties of coffee to be cultivated in Uganda, and their management systems;

(f) to promote and support joint ventures, investments and concessions in the coffee value chain;

(g) to prescribe quality control standards for the sale and marketing of coffee, issue indicative prices at which coffee may be traded and protect coffee farmers from exploitation and unfair trade practices;

(h) to profile, grade and certify grades and quantities of coffee along the coffee value chain;

(i) to license coffee nursery operators, seed garden operators, traders, processors, exporters, management agents, warehouse operators, auctioneers, pulping stations, packers and roasters in accordance with regulations issued by the Minister;

(j) to coordinate the provision of coffee specific extension services in consultation with the Ministry;

(k) to advise Government on all coffee subsector policies and reconcile them to the national macroeconomic policies;

(l) to liaise with regional and international coffee organisations to promote Uganda's coffee on the world market and be responsible for the administration of the stamp of the International Coffee Organisation;

(m) to organise capacity building initiatives for coffee farmers, farmers associations, roasters, brewers, technicians, coffee processors and quality controllers;

(n) to collect, collate and analyse data, maintain a database on coffee, and document and monitor the coffee subsector performance; and

(o) to perform any other function as may be directed by the Minister.

6. Powers of the Authority.

(1) The Authority may, in the exercise of its functions, arbitrate disputes between coffee farmers, coffee exporters, coffee processors, coffee roasters, coffee buyers and any other person or body involved in the coffee value chain.

(2) Where there is a dispute between the Authority and any coffee value chain actor, the parties must agree to an arbitrator in accordance with the applicable laws in Uganda.

7. Appointment of coffee inspectors.

(1) The Authority may, by notice in the *Gazette*, appoint a qualified person to be a coffee inspector, for the purposes of ensuring compliance with this Act.

(2) A person appointed under subsection (1) shall hold office for a period of five years, subject to reappointment by the Authority.

8. Qualifications of coffee inspectors.

A person shall qualify to be a coffee inspector if he or she possesses a minimum of a diploma in agriculture or related sciences and has extensive knowledge and experience in coffee related matters.

9. Powers of coffee inspectors.

(1) A coffee inspector may, at any reasonable hour, enter any place where coffee is grown, pulped, processed, packed, roasted, stored, warehoused or sold to inspect and examine it for the purpose of ensuring that the provisions of this Act are complied with.

(2) A coffee inspector may, for purposes of securing compliance with the provisions of this Act, take samples of coffee found in a store, plant or other place or premises including any land, and subject the samples to such tests as he or she may deem necessary.

(3) A coffee inspector shall, when exercising powers under this Act, produce the instrument of appointment and identification as a coffee inspector when required to do so by any person.

10. Appointment of coffee extension officers.

(1) The Authority may, by Notice in the *Gazette,* designate qualified persons to be coffee extension officers for purposes of ensuring compliance with this Act.

(2) A person designated under subsection (1) shall be a coffee extension officer for five years or such period as the Authority may determine.

11. Qualifications of coffee extension officers.

A person shall qualify to be a coffee extension officer if he or she possesses a minimum of a Bachelor of Science in agriculture, agribusiness management or agriculture extension or a related field from a recognized university.

12. Functions of coffee extension officer.

A coffee extension officer shall carry out the following functions—

(a) implement and supervise coffee nursery development programs;

(b) oversee compliance with established standard procedures and operating guidelines;

(c) implement coffee extension programs developed by the Authority;

(d) promote and disseminate new technologies developed by coffee research to farmers;

(e) maintain surveillance on coffee diseases and pests;

(f) advise farmers on the control of coffee disease and pest control measures;

(g) liaise with and ensure effective collaboration with local authorities and other bodies with an interest in matters of coffee development;

(h) participate in the development of work plans and budgets;

(i) provide technical support in the collection of data for coffee production and marketing;

(j) monitor the quality of coffee and enforce coffee regulations;

(k) compile monthly reports on coffee activities; and

(l) carry out any other function as the Authority may from time to time assign.

13. Cooperation with other agencies.

(1) The Authority shall cooperate with other ministries, departments, agencies of Government, and other organisations in the implementation of this Act.

(2) The Ministry shall, in consultation with the Authority and the body responsible for provision of agricultural extension services, coordinate the provision of coffee specific extension services, improved and recommended coffee varieties and technical support to farmers.

(3) For the purpose of subsection (1), all ministries, departments, agencies of Government and other organisations shall accord to the Authority such assistance as may be necessary to ensure the proper discharge of the functions of the Authority.

14. Board of the Authority.

(1) The Authority shall have a Board of Directors, which shall be the governing body of the Authority.

(2) The Board shall consist of—

(a) a chairperson;

(b) a representative from the Ministry responsible for finance;

(c) a representative from the Ministry responsible for agriculture;

(d) a representative from the Ministry responsible for trade;

(e) a representative of the coffee farmers;

(f) a representative of the coffee processors;

(g) a representative of the coffee exporters;

(h) a representative of the coffee roasters;

(i) a representative of the National Agricultural Research Organisation; and

(j) the managing director, who shall be an ex-officio member.

(3) At least one-third of the members of the Board shall be women, one of whom shall be a representative from the value chain actors provided for under subsection (2) (e), (f), (g) or (h).

(4) The members of the Board, except the managing director, shall be appointed by the Minister.

(5) The Minister shall in appointing members of the Board referred to in paragraphs (b) to (i), invite nominations from the respective institutions or organisations from whom the appointments shall be made.

15. Disqualification from appointment.

A person shall not be appointed to the Board if he or she—

(a) has been convicted of an offence involving dishonesty or fraud by a competent court in Uganda or elsewhere;

(b) has been declared insolvent under any law in force in Uganda and has not been discharged;

(c) has been convicted of an offence and sentenced to imprisonment for six months or more without the option of a fine by a competent court in Uganda or elsewhere; or

(d) is a member of Parliament, a minister or a member of a local government council.

16. Tenure of office of members of the Board.

(1) A member of the Board other than the Managing Director shall hold office for three years and is eligible for re-appointment for one more term.

(2) The Chairperson and members of the Board shall hold office on terms and conditions specified in their instruments of appointment.

(3) A member of the Board may, at any time, resign from office by giving written notice of not less than one month to the Minister.

(4) The Minister may, at any time remove a member of the Board—

(a) for inability to perform the functions of his or her office arising from infirmity of body or mind;

(b) for misbehaviour or misconduct;

(c) for incompetence;

(d) for failure to disclose, at a Board meeting, a matter in which he or she has a personal interest;

(e) for absence without prior notice to the Chairperson of the Board, or without reasonable cause, for more than four consecutive scheduled meetings of the Board;

(f) for having been declared insolvent;

(g) on the written recommendation of the body represented by that member stating reasons for disqualification;

(h) for conviction for a criminal offence, in Uganda or elsewhere, in respect of which the maximum penalty exceeds six months imprisonment without the option of a fine; or

(i) where information relating to the conduct of a member, which could have precluded his or her appointment if it had been made available to the Minister, is brought to the attention of the Minister.

17. Filling of vacancies of the Board.

(1) Where a member of the Board resigns, dies, is removed from office or is for any other reason unable to act as a member of the Board, the Chairperson shall notify the Minister of the vacancy within one month of the occurrence of the vacancy.

(2) The Minister shall, on being notified of a vacancy under subsection (1), appoint another person to hold office in accordance with section 14.

(3) Where the member of the Board referred to in subsection (1) is the Chairperson of the Board, the Managing Director shall notify the Minister of the vacancy and the Minister shall, with the approval of Parliament, appoint another person to serve as Chairperson.

18. Functions of the Board.

The functions of the Board are—

(a) to formulate and review the policy of the Authority;

(b) to set targets for the annual performance of the Authority;

(c) to appraise and evaluate the performance of the management of the Authority;

(d) to determine the organisational structure and staffing of the Authority;

(e) to oversee the management of the finances and assets of the Authority;

(f) to appoint and discipline members of staff of the Authority; and

(g) to perform any other function assigned to it under this Act.

19. Remuneration of members of the Board.

The Chairperson and members of the Board shall be paid such remuneration as may be determined by the Minister.

20. Meetings of the Board.

The meetings of the Board and related matters shall be conducted in accordance with Schedule 2 to this Act.

21. Committees of the Board.

(1) The Board may appoint committees—

(a) to inquire into and advise the Board on any matter concerning the functions of the Authority as the Board may refer to the committee;

(b) to exercise such powers or perform such functions of the Authority as the Board may delegate or refer to the committee.

(2) A committee appointed under subsection (1) shall consist of a chairperson and other persons, whether members of the Board or not, as the Board may determine.

(3) The Board may require a committee appointed under this section to act jointly or in co-operation with any other committee.

(4) Subject to any direction given by the Board, a committee appointed under this section may regulate its own procedure, but shall, in any event, be guided by the procedure in Schedule 2 to this Act.

PART III—STAFF OF THE AUTHORITY.

22. Managing Director.

(1) There shall be a managing director of the Authority who shall be appointed by the Board, on such terms and conditions as the Board may determine.

(2) The Managing Director shall be a person of high moral character and proven integrity, with the relevant professional qualifications, skills and experience in coffee related matters.

(3) The Managing Director shall hold office for five years and is eligible for reappointment for one more term.

(4) The Managing Director shall cease to hold office if he or she—

(a) resigns;

(b) is declared insolvent or has made an arrangement with his or her creditors;

(c) is convicted of a criminal offence, in Uganda or elsewhere, in respect of which the maximum penalty exceeds six months imprisonment without the option of a fine;

(d) is removed from office by the Board—

(i) for inability to perform the functions of his or her office arising from infirmity of body or mind; or

(ii) for misbehaviour, misconduct or incompetence.

23. Functions of Managing Director.

(1) The Managing Director is responsible for the day to day operations and administration of the Authority.

(2) The Managing Director shall be the chief executive and accounting officer of the Authority.

(3) Subject to this Act and to the general supervision and control of the Board, the Managing Director shall be responsible for—

(a) the implementation of the policies and programmes of the Authority and reporting on them to the Board;

(b) the proper management of the funds and property of the Authority;

(c) the organisation and control of the staff of the Authority;

(d) co-operation with other ministries, departments, agencies of Government and organisations to achieve the objectives of the Authority;

(e) developing an economic, efficient and cost effective internal management structure;

(f) developing and implementing the strategic plan, business plan and annual plan of the Authority to achieve its objectives;

(g) ensuring that the policies of the Authority are implemented and that the agreed objectives, targets and service standards are met;

(h) providing advice as required on all matters within the Authority's responsibility; and

(i) performing any other duty necessary for the implementation of this Act as may be assigned to him or her by the Board.

(4) In the performance of his or her functions, the Managing Director is answerable to the Board.

24. Secretary to the Board.

(1) There shall be a secretary to the Board who shall be appointed by the Board in accordance with section 190 of the Companies Act.

(2) The Secretary to the Board shall be responsible for—

(a) arranging the business at meetings of the Board;

(b) taking the minutes of the meetings of the Board;

(c) keeping the records of the decisions and other policy records of the Board;

(d) providing legal advice on all activities of the Authority; and

(e) performing any other function assigned by the Managing Director.

(3) In the performance of his or her functions, the Secretary is answerable to the Managing Director.

25. Other staff of the Authority.

(1) The Board shall appoint other staff of the Authority as may be necessary for the proper and efficient performance of the functions of the Authority.

(2) The staff appointed under subsection (1) shall hold office on such terms and conditions determined by the Board and specified in the instruments of appointment.

(3) The Board shall regulate the manner of appointment, terms and conditions of service and the discipline of the staff appointed under this section.

PART IV—REGISTRATION OF COFFEE VALUE CHAIN ACTORS

26. Registration of coffee farmers.

(1) The Authority shall register all coffee farmers in the coffee subsector.

(2) A person shall be registered as a coffee farmer if he or she is growing coffee at the time of registration.

27. National register of coffee farmers.

(1) The Authority shall establish and maintain a national register of coffee farmers.

(2) The register shall be maintained as an electronic database or in any other form determined by the Board.

(3) The register shall contain the particulars of every coffee farmer including—

(a) the full name and address of the farmer, and if the farmer is a member of a coffee farmers group or association, the name and address of the group or association;

(b) where the person who owns the land is different from the coffee farmer, the name and address of the owner of the land;

(c) the district, subcounty, parish and village in which the coffee farm is located;

(d) the acreage of land on which the coffee is grown on the date of its registration;

(e) the variety and type of coffee grown;

(f) the age and number of coffee trees; and

(g) any other information which may be deemed necessary for the purpose of registration.

(3) The Authority shall, on registering a coffee farmer issue the coffee farmer a coffee farmer's registration number.

(4) The Authority shall not charge fees for the registration of a coffee farmer.

(5) The Authority shall use the information compiled in the register to facilitate the provision of services to coffee farmers individually or through farmers groups.

(6) For the avoidance of doubt, registration of farmers shall be on a continuous basis.

28. Application to operate a coffee nursery or a coffee seed garden.

(1) A person who wishes to operate a coffee nursery or a coffee seed garden shall apply to the Authority in writing.

(2) The Authority shall assess the soil type to determine the type and variety of coffee to be planted by a coffee nursery operator or a coffee seed garden operator.

(3) The Authority shall assess the coffee nursery or coffee seed garden and, if satisfied, issue the coffee nursery operator or coffee seed garden operator with a certificate to operate a coffee nursery or a coffee seed garden.

(4) A certificate issued under this section shall be renewed annually.

(5) A person who wishes to plant coffee shall obtain planting materials from a certified coffee nursery or coffee seed garden.

29. Registration of coffee nursery operators and coffee seed garden operators.

(1) The Authority, shall register every coffee nursery operator and coffee seed garden operator.

(2) The register shall contain the particulars of every coffee nursery operator and coffee seed garden operator including—

(a) the full name and address of the coffee nursery operator or coffee seed garden operator;

(b) where the person who owns the land is different from the coffee nursery operator or coffee seed garden operator, the name and address of the owner of the land;

(c) the district, subcounty, parish and village in which the coffee nursery or coffee seed garden is located;

(d) the type and variety of coffee grown in the coffee nursery or coffee seed garden; and

(e) any other information which may be deemed necessary for the purpose of registration.

30. Registration of coffee farmer organisations and cooperatives.

(1) The Authority shall register all coffee farmer organisations and cooperatives.

(2) The Authority shall keep a register of coffee farmer organisations and cooperatives.

(3) The register of coffee farmer organisations and cooperatives shall contain the particulars of every coffee farmer organisation and cooperative including—

(a) the full name and address of the coffee farmer organisation or cooperative;

(b) the number of members, their names and address;

(c) the type and variety of coffee in the coffee farm; and

(d) any other information which may be deemed necessary for the purpose of registration.

(4) The Authority shall, on registering a coffee farmer organisation or cooperative, issue the coffee farmer organisation or cooperative with a registration number.

(5) The Authority shall promote the formation of an apex body to represent all coffee farmers' organisations and cooperatives.

31. Registration of coffee value chain actors.

(1) The Authority shall promote, register and regulate the formation of coffee value chain actors at the various levels of the coffee value chain throughout Uganda.

(2) The Authority shall promote the formation of apex bodies to represent and advocate for the interests of each category of the coffee value chain.

32. National registers of coffee value chain actors.
The Authority shall keep and maintain the following national registers of coffee value chain actors—

(a) a register of pulpers;

(b) a register of coffee buyers;

(c) a register of coffee graders;

(d) a register of coffee exporters;

(e) a register of coffee store operators or warehousemen;

(f) a register of processors of coffee of any variety and grade;

(g) a register of coffee roasters, coffee shop operators and brewers.

(h) a register of coffee hullers; and

(i) a register of factories for instant, granulated, soluble and roasted coffee.

33. Particulars of national registers of coffee value chain actors.
The national registers of coffee value chain actors shall contain the particulars of each coffee value chain actor including—

(a) the name and address of the value chain actor;

(b) the name and address of each director or partner and the shareholding of each shareholder;

(c) the activity undertaken by the value chain actor;

(d) the capacity of the value chain actor;

(e) the location of the value chain actor; and

(f) any other information which may be deemed necessary for the purpose of registration.

34. Registration of coffee processing factory.

(1) The Authority shall register every coffee processing factory.

(2) The Authority shall keep the register of coffee processing factories which shall contain the particulars of every coffee factory including—

(a) the name and address of the factory;

(b) the name and address of each director or partner and the shares held by each shareholder;

(c) the processing capacity of the factory;

(d) the planned production capacity of the factory;

(e) the capacity, number and location of the warehouse; and

(f) the number and quality of skilled, semi-skilled and un-skilled personnel employed or to be employed.

(3) The Authority shall, on ascertaining the particulars submitted under subsection (2) issue a certificate of registration to the owner of the coffee processing factory on payment of the registration fees prescribed by the Authority.

(4) A certificate issued under this section is not transferrable and shall be renewed annually on payment of a fee prescribed by the Authority.

PART V—LICENSING OF COFFEE VALUE CHAIN ACTORS

35. Power to issue licences.

(1) The Authority shall on application, issue the following licenses upon such terms and conditions as the Authority thinks fit—

(a) a pulpery operator's licence;

(b) a coffee buyer's licence;

(c) a coffee grading licence;

(d) a coffee processor's licence;

(e) a coffee exporter's licence;
(f) a coffee roaster's licence;
(g) a brewer's licence and a coffee shop operator's licence;
(h) a coffee store or warehouse operator's licence;
(i) a coffee huller operator's licence; and
(j) a coffee extractor's licence.

(2) A licence issued under subsection (1) shall be—
(a) in the form prescribed by regulations;
(b) valid for a specified period;
(c) for a specific location; and
(d) issued subject to payment of an application fee prescribed by the Authority.

(3) A person shall not operate a pulpery, buy coffee, grade coffee, roast coffee, brew coffee, operate a coffee shop or coffee store, a warehouse or coffee huller or process or export coffee on a commercial basis without a licence issued by the Authority.

(4) Where the Authority refuses to issue a licence to an applicant, the applicant shall, within thirty days of the refusal, be informed in writing stating the reasons for the refusal.

36. Power to cancel, vary and suspend licences.
The Authority may if the terms and conditions of the licence have not been complied with, cancel, vary or suspend a licence issued under this Act.

37. Right of appeal.
(1) Any person aggrieved by the decision of the Authority under subsection 35(4) may, within thirty days after being notified of the decision, appeal to the Minister.

(2) The Minister shall respond to the appeal within thirty days from the date of receipt of the appeal.

(3) A person aggrieved by the decision of the Minister may, within thirty days apply to a court of law for judicial review.

(4) The procedure of appeal shall be in accordance with regulations made by the Minister.

PART VI—TYPES, VARIETIES AND GRADING OF COFFEE.

38. Types and varieties of coffee.

(1) The Authority shall determine and regulate the types and varieties of coffee to be grown in the different parts of Uganda.

(2) In determining the type and variety of coffee to be grown in a particular part of Uganda, the Authority shall—

(a) be guided by the results of coffee research conducted by the National Coffee Research Institute on the conditions suitable for growing each recommended variety of coffee; and

(b) promote the use of high yielding, disease resistant, drought tolerant and cup quality varieties of coffee.

39. Promotion of recommended types and varieties of coffee.

(1) The Authority shall inform and sensitise coffee farmers on the types and varieties of coffee recommended for cultivation in the different parts of Uganda.

(2) For the purposes of this section, the Authority shall, in cooperation with the ministry responsible for agriculture and other stakeholders, develop a strategy for promoting the cultivation of recommended coffee varieties in Uganda.

(3) The promotion strategy developed by the Authority under subsection (2) shall include—

(a) the use of coffee extension services to train and build the capacity of coffee farmers to grow the recommended types and varieties of coffee;

(b) information on how to access the recommended types and varieties of coffee;

(c) good agricultural practices in respect of each type and variety of coffee; and

(d) the means of controlling pests and diseases associated with each type and variety of coffee.

40. Profiling, grading and certification of coffee.

(1) The Authority shall, in collaboration with the body responsible for standards, develop coffee standards.

(2) The Authority shall profile, grade and certify all coffee grown or marketed in Uganda.

(3) For the purposes of this section, the Authority shall take into account international coffee profiling, grading and certification standards issued by the International Coffee Organisation, or by any other international coffee standards organisation.

(4) The Authority shall use a universal standard for outturn tests for locally traded pre-export coffee.

PART VII—VALUE ADDITION AND DOMESTIC CONSUMPTION OF COFFEE.

41. Promotion of value addition.

(1) The Authority shall promote and support value addition at all stages of the coffee value chain.

(2) For the purposes of this section, the Authority shall—

(a) promote and support primary processing of coffee at coffee farms;

(b) promote and support bulking and marketing of coffee at coffee farms or through farmers' associations;

(c) facilitate increased export of value added coffee products;

(d) promote and support roasting and packaging of coffee;

(e) build the capacity of coffee brewers and coffee roasters;

(f) promote and support coffee certification schemes;

(g) promote and support branding of coffee produced in Uganda;

(h) promote and support the establishment of instant, granulated, soluble and roasted coffee plants; and

(i) facilitate access to affordable finance to stakeholders along the coffee value chain.

42. Domestic consumption of coffee.

(1) The Authority shall promote and support the domestic consumption of coffee.

(2) For the purpose of this section, the Authority shall—

(a) create awareness on coffee consumption;

(b) conduct behavioral change communication among the public to encourage the drinking of coffee; and

(c) build the capacity of local coffee roasters, coffee baristas, coffee brewers and any other stakeholders.

PART VIII—FINANCES.

43. Funds of the Authority.

The funds of the Authority shall consist of money appropriated by Parliament for the purposes of the Authority in accordance with the Public Finance Management Act, 2015.

44. Levy on coffee exports.

The Authority shall levy a charge not exceeding two percent on the Free on Rail or Free on Truck or other form of acceptable contract price of the export of coffee.

45. Authority to operate on sound financial principles.
In the performance of its functions under this Act, the Authority shall operate on sound financial principles.

46. Power to open and operate bank accounts.
The Board shall, with the authority of the Accountant General open and maintain such bank accounts as are necessary for the performance of the functions of the Authority.

47. Estimates of income and expenditure.
(1) The Authority shall, in accordance with the Public Finance Management Act, 2015, prepare and submit to the Minister responsible for finance for approval, a budget containing the estimates of income and expenditure of the Authority for the next financial year.

(2) The Authority shall not incur any expenditure exceeding its budget without the approval of the Minister responsible for finance.

48. Accounts.
The Authority shall—

(a) keep proper books of accounts and all records relating to the transactions and affairs of the Authority;

(b) within two months after the end of each financial year, prepare annual financial statements for the preceding financial year; and

(c) within two months after the end of each financial year, submit the annual accounts to the Auditor General.

49. Audit.
(1) The Auditor General or an auditor appointed by the Auditor General shall, in each financial year, audit the accounts of the Authority.

(2) The Auditor General or an auditor appointed by the Auditor General shall, within three months after receipt of the accounts, submit to the Minister and Parliament a report on the audited accounts of the Authority.

PART IX—COFFEE RESEARCH AND COFFEE AUCTION.

50. National coffee research.

(1) The Authority shall, in coordination with the National Agricultural Research Organisation oversee the formulation of a National Coffee Research and Development Agenda to guide coffee research.

(2) The National Coffee Research and Development Agenda formulated under subsection (1) shall be approved by the National Agricultural Research Organisation and validated by the Board and industry stakeholders.

(3) The National Coffee Research Institute shall be responsible for undertaking coffee research related to its mandate and competence.

(4) The Authority shall engage other research services to undertake research in areas in which they have a comparative advantage and competence.

51. Coffee auction system.

(1) The Authority shall establish a coffee auction system.

(2) The coffee auction system established under subsection (1) shall be used as an alternative method to the day-to-day method of selling coffee.

52. Protection from liability.

(1) A member of the Authority or member of staff of the Authority or a person acting on the directions of the Authority shall not be held personally liable for any act or omission done or omitted to be done in good faith in the exercise of functions under this Act.

(2) Notwithstanding the provisions of subsection (1), Part III of the Leadership Code Act, 2002 shall apply to a member of staff of the Authority.

53. Offences and penalties.

(1) Any person who—

(a) operates an unregistered coffee nursery or coffee seed garden;

(b) sells or distributes substandard or diseased planting materials;

(c) harvests or is found in possession of immature cherries or strips a coffee tree;

(d) roasts or packages non-coffee material as coffee;

(e) poorly stores wet cherries or heaps coffee leading to mold formation;

(f) sets up a store or warehouse that does not meet the requirements for storing coffee;

(g) being a processor, does not have a husk chamber or store;

(h) operates a huller without a licence or without an approved structure;

(i) deals in coffee for internal marketing without a licence or in contravention of this Act,

commits an offence and is liable, on conviction, to a fine not exceeding one hundred currency points or a term of imprisonment not exceeding four years, or both.

(2) A person who—

(a) operates a coffee processing factory without a licence;

(b) handles or processes wet coffee with a moisture content above fourteen percent;

(c) dries coffee on the bare ground;

(d) processes coffee without a valid licence;

(e) tampers, replaces, removes or is in possession of a security seal of the Authority without authorisation;

(f) replaces inspected coffee with uninspected coffee;

(g) boils, contaminates or rough hulls coffee;

(h) adulterates coffee or is in possession of adulterated coffee; including mixing coffee of different types or mixing coffee with non-coffee materials; or

(i) denies access to or blocks an inspector or staff of the Authority or fails to render any reasonable assistance to an inspector,

commits an offence and is liable, on conviction, to a fine not exceeding two hundred currency points or a term of imprisonment not exceeding eight years, or both.

(3) A person who grades and exports coffee without a valid licence commits an offence and is liable, on conviction, to a fine not exceeding three hundred and sixty currency points or a term of imprisonment not exceeding fifteen years, or both.

(4) Where a court convicts any person of an offence under this section, the court may, in addition to any penalty it may impose, order that the coffee or any article used in the commission of the offence be confiscated and forfeited to the Government.

(5) Any coffee or article forfeited under subsection (4) shall vest in the Government free of any mortgage, charge, lien or other encumbrance of any kind.

(6) The Authority shall confiscate and destroy—

(a) coffee spread to dry on the bare ground;

(b) molded coffee; or

(c) wet coffee bean with a moisture content exceeding fourteen percent being held or processed by any person.

54. Memorandum of understanding to warehouse coffee.

(1) A company that intends to warehouse coffee for export shall sign a memorandum of understanding with the Authority.

(2) Notwithstanding subsection (1), a company with a memorandum of understanding to warehouse coffee for export which warehouses coffee not cleared for export by the Authority or tampers with coffee cleared by the Authority for export shall have its licence cancelled and the coffee shall be confiscated and forfeited to the State.

55. Offences by body corporate.

Where an offence under section 53 is committed by a body corporate—

(a) every director and employee of that body corporate shall also be taken to have committed that offence; and

(b) where the body corporate is a firm, a partner of that firm shall also be taken to have committed that offence,

unless he or she proves that the offence was committed without his or her knowledge, or that he or she exercised due diligence to prevent the commission of the offence.

56. Regulations.

(1) The Minister may, on the recommendation of the Board make regulations for better carrying into effect the provisions of this Act.

(2) Notwithstanding the generality of subsection (1) regulations made under this section may prescribe—

(a) the procedure for registration of members in the coffee value chain;

(b) the type and varieties of coffee to be grown and in which areas they are to be grown;

(c) the procedure for sorting, profiling, grading and certifying coffee;

(d) the procedure for storing, handling, processing, brewing, selling, grading, packaging, marketing and exporting of coffee;

(e) the procedure for keeping of records and the furnishing of returns in respect of coffee;

(f) the types and categories of coffee value chain organisations and the requirements for registration of the coffee value chain organisations at the various levels of the coffee value chain;

(g) the procedure for entry by an authorised person on any premises used for growing or handling coffee for the purposes of inspecting the premises, equipment or coffee;

(h) the manner of application and the registration form, certificate, licence or other form required under this Act;

(i) the procedure for importation and exportation of coffee and coffee products;

(j) the procedure for inspection of coffee;

(k) the procedure for testing of coffee;

(l) the methods of conducting outturn tests;

(m) the manner in which stamps under the International Coffee Organisation may be administered;

(n) the manner in which traders and middlemen along the coffee value chain may be regulated in relation to the buying, transportation, storage and quality of coffee;

(o) the procedure for enhancement of the capacity of researchers;

(p) the manner in which the quality and quantity incentive scheme or any other scheme shall be operated;

(q) the procedure and requirements for coffee extension services on good practices in planting material propagation, planting, soil and water management, pest and disease control, harvesting, drying or grading coffee;

(r) the procedure for the establishment of the coffee auction system;

(s) the standards for the quality and grading of coffee;

(t) the quality control standards for the sale and marketing of coffee;

(u) application fees to be charged for registration and issuance of licences;

(v) form for issuance of a licence;

(w) the procedure for monitoring of coffee seed gardens and coffee nursery operations; and

(x) the procedure for appeal, including the right of a farmer to appeal through any other person recommended by the Minister.

57. Repeal of Cap. 325 and vesting of assets and liabilities.

(1) The Uganda Coffee Development Authority Act Cap. 325 is repealed.

(2) Any statutory instrument made under the Uganda Coffee Development Authority Act repealed under subsection (1) and which is in force immediately before the commencement of this Act, shall remain in force, so far as it is not inconsistent with this Act, until it is revoked by a statutory instrument made under this Act and until that revocation, shall be deemed to have been made under this Act.

(3) Any registration, licence, certificate, permit or other document issued under the Uganda Coffee Development Authority Act repealed under subsection (1) and which is in force immediately before the commencement of this Act—

(a) shall have effect from the commencement of this Act as if it was granted under this Act;

(b) in the case of a registration, licence, certificate, permit or other document issued for a specified period, shall remain in force, subject to this Act, for so much of that period as falls after the commencement of this Act.

(4) On the commencement of this Act—

(a) all property, assets, rights and interests of the Authority shall continue to be the property, assets, rights and interests of the Authority;

(b) all obligations and liabilities subsisting against the Authority under the repealed Act shall continue to subsist against the Authority;

(c) any money held by the Authority under the repealed Act shall continue to be held by the Authority;

(d) all contracts, agreements and undertakings by the Authority and all securities lawfully given to or by it and in force immediately before the commencement of this Act shall have effect as contracts, agreements and undertakings made by and with the Authority and may be enforced by and against the Authority accordingly; and

(e) any proceedings commenced by or against the Authority under the repealed Act may be continued by or against the Authority.

58. Continuation of employment of employees of the Uganda Coffee Development Authority.

(1) The Authority shall, on the effective date of its operations, accept into its employment, every person who immediately before the commencement of this Act, was an employee of the Authority.

(2) The terms and conditions, including the salary, on which a person referred to in subsection (1) was employed immediately before the commencement of this Act, shall not be less favourable than those that applied to that person's office immediately before the commencement of this Act.

(3) For the avoidance of doubt, anything commenced under the repealed Act may be continued under this Act.

SCHEDULES

SCHEDULE 1

section 1

Currency Point

One currency point is equivalent to twenty thousand shillings.

SCHEDULE 2

section 20, 21(4)

Meetings of the Board.

1. Meetings of the Board.

(1) The Chairperson shall convene a meeting of the Board as soon as is practicable after the appointment of the Board, and thereafter, the Board shall meet for the transaction of business at times and places that may be decided upon by the Board; and the Board shall meet at least once in every three months.

(2) The Chairperson or, in the absence of the Chairperson, a member appointed by the Board to act as chairperson may at any time call a special meeting of the Board, and shall call a special meeting upon a written request by a majority of the members of the Board.

(3) The Chairperson shall preside at all meetings of the Board, and in his or her absence, the members present may appoint a member from among themselves to preside at that meeting.

2. Quorum.

The quorum for a meeting of the Board shall be five members.

3. Decisions of the Board.

Questions proposed at a meeting of the Board shall be decided by a majority of the votes of the members present; and in the event of an equality of votes, the person presiding shall have a casting vote in addition to his or her deliberative vote.

4. Disclosure.

(1) A member of the Board who has any pecuniary interest in a matter being considered or about to be considered by the Board shall, as soon as possible after the relevant facts have come to his or her knowledge, disclose the nature of his or her interest to the Board.

(2) A disclosure of interest under subparagraph (1) shall be recorded in the minutes of the meeting of the Board.

(3) A member who makes a disclosure under subparagraph (1) shall not be present during any deliberation of the Board with respect to that matter.

(4) For purposes of the determining whether there is quorum, a member withdrawing from the meeting or who is not taking part in the meeting under subparagraph (3) shall be treated as being present.

5. Minutes of proceedings.

(1) The Board shall cause the minutes of all proceedings of its meetings to be recorded and kept.

(2) The minutes kept under subparagraph (1) shall be confirmed by the Board at the next meeting and signed by the chairperson of that meeting.

(3) The Chairperson shall submit to the Minister a copy of the minutes of each meeting of the Board as soon as the minutes have been confirmed.

6. Board to regulate proceedings.

Subject to this Act, the Board may regulate its own procedure or any other matter relating to its meetings.

CROSS REFERENCES

1. The Constitution of the Republic of Uganda, 1995.
2. The Leadership Code Act, 2002, Act 17 of 2002.
3. The Companies Act, 2012.
4. The Public Finance Management Act, 2015, Act 3 of 2015.

THE REPUBLIC OF UGANDA

This printed impression has been carefully compared by me with the bill which was passed by Parliament and found by me to be a true copy of the bill.

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Clerk to Parliament

Date of authentication: 26th/04/2021